Received & Inspected

### LINDA SCHRECKINGER SADLER

PR 7 - 2008 PR 7 - 2008

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FCC Mail Room

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April 4, 2008

Marlene H. Dortch, Secretary Federal Communications Commission 445 –12th Street, S.W. Washington, D.C. 20554

CC: 02-6

RE:

Request for Review by Garfield Heights City School District

Dear Secretary Dortch:

Enclosed please find a Request for Review and Waiver from a decision by the Schools and Libraries Division of the Universal Service Administrative Company relative to Garfield Heights City School District (Billed Entity No. 129499).

Enclosed are an original and five copies of the Request for Review and Waiver. Please file the original and four of the copies and return one time-stamped copy to me in the enclosed self addressed-stamped envelope.

Please direct all communication regarding this appeal to my attention. Thank you for your assistance in this matter.

rours truly,

Linda Schreckinger Sadler

Encl.

No. of Copies rec'd O

### APR 7 - 2008 FCC Mail Room

## BEFORE THE FEDERAL COMMUNICATIONS COMMISSION WASHINGTON, D.C.

In the Matter of:	)
Request for Review of Decision of the Universal Service Administrator by	)
Garfield Heights City School District Garfield Heights, OH	) CC Docket No. 02-6 )
Schools and Libraries Universal Service Support Mechanism	) ) )

TO: Marlene H. Dortch, Secretary
Federal Communications Commission
Office of the Secretary
445 12th Street, SW
Washington, DC 20554

Garfield Heights City School District ("Garfield") appeals the Universal Service Administrative Company's ("USAC") Funding Commitment Decision Letter issued on February 7, 2008 in which its district-wide discount percentage was lowered by USAC for its Funding Year 2007-2008 application. In the alternative, Garfield requests a waiver of the USAC procedural rules that were implemented so as to make Garfield's compliance impossible. This Request for Review and/or Waiver is made to the Federal Communications Commission ("FCC") pursuant to 47 C.F.R. §§ 54.719(c), 54.721 and 47 C.F.R. §1.3 seeking relief relative to:

### Garfield Heights City School District:

Billed Entity Number:

129499

FCC Form 471 Application Number:

544469

Funding Request Numbers Appealed: 1505751, 1505756, 1505757,

1505758, 1505759, 1505763,

1505764 and 1565448

Date of Funding Commitment Decision Letter: February 7, 2008

### **Contact Information**

(1) To discuss this appeal:

Linda Schreckinger Sadler Esq.

26010 Hendon Road Beachwood, OH 44122 Tel. 216-288-1122 Fax: 216-464-7315 lschrecks@yahoo.com

(2) For all other FCC/SLD purposes: Charlene Dornback

25801 Richmond Road Cleveland, OH 44146 Tel. (216) 831-2626 Fax. (216) 831-2822

### SLD'S REASONS FOR REDUCING DISCOUNT PERCENTAGE

Although Garfield's FCC Form 471 applications for the July 1, 2007-June 30, 2008 Funding Year were funded, the Schools and Libraries Division ("SLD") of the Universal Service Administrative Company ("USAC") erred when it issued a Funding Commitment Decision Letter ("FCDL") correcting the shared discount percentage to a llower percentage than that to which Garfield City School District is actually entitled. The lower discount percentage was the result of the SLD's refusal to accept the alternative discount mechanism surveys of the District. The Funding Commitment Decision Letter

lowered the shared discount percentage in stating: "The shared discount was reduced to a level that could be validated by third party data."

Garfield herein requests a review of the SLD's refusal to accept the data which had been provided and the SLD's resultant lowering of the discount calculation for all FRNs contained in it application.

### II. STATEMENT IN SUPPORT OF APPEAL

#### A. STATEMENT OF FACTS

For its FCC Form 471 application Garfield used an approved alternative calculation mechanism to determine its shared discount percentage. It did so under the authority of 47 C.F.R. § 54.505(b)(1) which clearly states that the data obtained through alternative mechanism methodology may be used to determine a school's level of need. Garfield chose to utilize "Projections Based on Surveys." in the preparation of the free and reduced data for its FCC Form 471 application. This was done in compliance with numbers 3 and 7 of the FCC/SLD approved survey methodology procedures *in effect at that time*, as detailed in the "Reference Area" on the SLD's website under "Alternative Discount Mechanisms Fact Sheet." See attached Exhibit "A." It is important to note that the SLD made no interim revisions to this page between January 6, 2006 and June 21, 2007 when the current version appeared on the SLD website.

During the Program Integrity Assurance ("PIA") process, the SLD reviewer requested and received copies of the free and reduced data calculations obtained from the surveys conducted by the District. Its PIA response contained a letter from the District's Food Service/Nutrition Director documenting the survey methodology used by the District and summarizing the data. At least one copy of the survey form itself was

included in the District's response. The information sent supported the requested discount stated on Garfield's Form 471 application.

The free and reduced data obtained from the surveys provided the basis upon the District calculated its discount percentages and supported a district-wide discount of 76%. The methodology and documentation submitted by Garfield to PIA clearly substantiated the District's discount percentage calculation.

## B. THE USE OF NSLP FORMS FOR SURVEY PURPOSES WAS NOT PROHIBITED AT THE TIME THE DISTRICT FILED ITS FCC FORM 471.

At all times during its application process, Garfield strove for full compliance with the rules and regulations of the E-rate program. In the fall of 2006, in order to properly determine the discount percentage to which it was rightfully entitled, survey data was obtained. This data was collected and processed several months prior to the filing and certification of the District's FCC Form 471 application. On June 21, 2007, approximately eight (8) months after the surveys were sent – and more than four (4) months after the Forms 471 were filed - the Reference Area of the SLD's website first published the prohibition stating that NSLP forms could not be used for surveys.

While National School Lunch Program ("NSLP") data is the primary means of determining a school's level of discount, C.F.R. § 54.505(b)(1) permits an entity to use several alternative mechanism methodologies to calculate discounts. These methodologies are recognized as valid means of determining the level of need upon which discount calculations for eligible products and services may be based. Since C.F.R. § 54.505(b)(1) clearly states that the data obtained through alternative mechanism

See 47 C.F.R. § 54:505(b) (1), (2); and Requestifor Review of the Decision of the Universal Service Administrator by Academia Claret, Puerto Rico, et al. DA 06-1907.

methodology may be used to determine a school's level of need, Garfield elected to use the sanctioned survey method to determine the shared discount level of its district. It followed the SLD instructions as posted on its website in the Fall of 2006. It followed procedures for survey methodology by distributing survey forms to all families in each of its schools. The survey forms contained all necessary data requests. After the survey responses were received, the Food Service/Nutrition Director ascertained that the level of returns met the minimum requirement of 50%. The Food Service/Nutrition Director then tallied the responses for each school. The survey method employed permitted the District to accurately calculate the discount percentage to which it was entitled - 76%. It was this calculation upon which the Form 471 data relied.

During the PIA process Garfield provided good faith responses to the questions posed by Ashish Patel, the reviewer. The survey data, a letter from the Director of Nutrition/Food Services and at least one copy of the actual survey form itself were sent to the reviewer in response to PIA requests for documentation supporting the requested discount. The supporting documentation was provided within the prescribed time period yet the reviewer rejected the documentation and reduced the discount percentage from 76% to 69%. The District asked its reviewer to provide information documenting that the NSLP prohibition was in effect at the time of the 471 filing. He was unable to do so.

Nor did he have knowledge as to when the prohibition was implemented. He only knew of the June 21, 2007 version on the SLD's website and that he had been instructed that NSLP forms could not be used for survey purposes for Funding Year 2007. Despite repeated requests by the District, neither he, nor his supervisor could further elucidate the authority upon which he based his rejection of the survey forms. To the detriment of the

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District Mr. Patel then proceeded to reduce the Garfield's shared discount percentage from 76% to 69%..

When Garfield conducted its survey during the Fall of 2006 it complied with all requirements in effect for surveys at that time and used the results as the basis for calculating discount percentages for its District. Since it contained all the necessary survey elements, Garfield used the Ohio National School Lunch Program form as its survey form. Use of the NSLP form was deemed to be an expedient method for gathering student financial data required for many federal and state programs without imposing the substantial burden on families of comprehending and completing a multitude of different forms. The United States Department of Agriculture Eligibility Manual For School Meals clearly states that NSLP data can be used [by a school] for a variety of purposes.<sup>2</sup> Until after June 21, 2007, the date the SLD revised its Alternative Discount Mechanisms webpage to expressly prohibit the use of NSLP forms for survey purposes, NSLP forms had often been accepted by the SLD for E-rate survey purposes.

## C. THE SLD RETROACTIVELY APPLIED A PROCEDURAL RULE CHANGE

Although limited in scope, the prior Orders of the FCC have recognized the patent injustice to the applicant when the SLD implements procedural changes and applies them retroactively.<sup>3</sup> In its prior Orders the FCC granted the applicants' Requests for Review, finding that the SLD acted incorrectly by imposing procedural requirements that were not in effect at the time the applications were filed.

(Garfield City School Districts FY10 FOC Appeal

See USDA Eligibility Manual For School Meals, revised January 2008, at pages page 52, et seq See Request For Review of the Decision of the Universal Service Administrator by Cincinnati City School District DA No. 06-1107, and Request for Waiwer of the Decision of the Universal Service Administrator by Division of the South Carolina Chief Information Officer, DA No. 06-1106

The accuracy of the survey calculations for Garfield was never challenged by the SLD. Neither was the manner in which the survey was conducted or processed by the District. Since the documentation provided by the District supported its requested shared discount percentage, the SLD should not have disregarded the documentation. While it has the right to review data to determine accuracy and program compliance, the SLD does not have authority to retroactively implement procedural policy changes. Had the procedural rule change been readily ascertainable on the SLD website prior to the Fall of 2006, the District would have had an adequate amount of time to create, disseminate and collect new non-NSLP survey forms and certainly would have complied. The fact is the SLD did not make the information readily available to applicants. Garfield's Form 471 was filed in February 2007; the change to the Alternative Mechanisms website page was not made until June 21, 2007. And, until June 21, 2007, there was no published information readily available on the SLD's website to alert Garfield that a rule change had been, or was about to be, made. Applicants frequently seek guidance on the SLD's website, especially in the "Reference Area" which USAC created expressly to provide guidance to applicants. Even SLD Help Desk personnel point people to the website for instruction and guidance. To implement program changes that have a significant impact on an application and yet omit posting them to the primary, sometimes only, resource available to the applicant, is not only detrimental to the application process but is contrary to the goal of providing financial support to the K-12 students, the true beneficiaries of the E-rate program.

# D. THE FUNDING COMMITMENT DECISION LETTER FAILED TO PROVIDE ADEQUATE REASONS FOR REDUCING THE DISCOUNT PERCENTAGE OF THE DISTRICT

The failure of the FCDL to provide sufficient information upon which the District could verify the correctness of the SLD's calculations and adequately address issues on appeal exacerbates already frustrating circumstances. Especially since neither the PIA reviewer nor his supervisor were able to cite authority for the SLD's position, the vague explanation in the FCDL left the District with the only logical conclusion: that the rule change had been applied retroactively to their application.

In the FCDL explanation, an applicant is entitled to be able to understand the rationale underlying the SLD's decision to reduce site discount levels. In Garfield's Funding Commitment Decision Letter the SLD failed to provide an explanation that would allow the District to understand the basis for modifying its shared discount percentage. In the FCDL, for each FRN subject of this appeal, all that was stated in the Funding Commitment Decision Explanation section was that the shared discounts were reduced to a level that could be supported by third party data. Since the Commission's Order in Academia-Claret, USAC seems to have abandoned "insufficient documentation" as the reason for rejecting discounts based on survey data and has replaced its unjustified/unexplained rejection of alternative methodology calculations by pretending they were never submitted, stating "the shared discount was reduced to a level that could be validated by third party data." Since all data was submitted by the District, to which third-party data is it that the SLD refers? The choice of language fails to

<sup>&</sup>lt;sup>4</sup> See Request For Review of the Decision of the Universal Service Administrator by Terral School District 8, DA. 00-2123; Request For Review of the Decision of the Universal Service Administrator by Mississippi Department of Editorio, DA 00-2576; and Request For Review of the Decision of the Universal Service Administrator by Review of the Universal Service Administrator by Review of the Decision of the Universal Service Administrator by Academia Claret, Puchic Rico et al. 00 No. 06-1907

provide the District with any explanation for, or understanding of, the basis for the SLD's rejection of the data submitted. In a case such as this, where an applicant did not receive sufficient notice or guidance regarding the changes the SLD made to the survey methodology procedures, it is especially important for the FCDL to provide the applicants with a reason for, and understanding of, the discount reduction so they may adequately address the issues on appeal.

### III. STATEMENT IN SUPPORT OF WAIVER

Throughout the application process Garfield complied with all substantive rules of the E-rate program. There is no allegation whatsoever that Garfield's use of NSLP forms for survey purposes was done to waste, abuse or defraud the E-rate program. The FCC has repeatedly reiterated is authority to waive rules for good cause shown:

The Commission may waive any provision of its rules on its own motion and for good cause shown. A rule may be waived where the particular facts make strict compliance inconsistent with the public interest. In addition, the Commission may take into account considerations of hardship, equity, or more effective implementation of overall policy on an individual basis. In sum, waiver is appropriate if special circumstances warrant a deviation from the general rule, and such deviation would better serve the public interest than strict adherence to the general rule. (footnotes omitted)<sup>6</sup>

Although not readily ascertainable to E-rate program applicants, if the procedural rule stating that NSLP forms could not be used for survey purposes was in effect in February 2007 before the filing of Garfield's 471 Application 544469, Garfield requests the FCC grant it a waiver of the policy. If the procedural rule was properly implemented prior to the filing of Garfield's Form 471 application, it is certainly in the best interests of the students of Garfield City School District to have the procedural rule waived, If a waiver is not granted, it is the students of the District who will suffer the hardship that the

See Request For Review of Decision of the Universal Service Administrator by Bishop Perry Middle School, DA No. 06 54, Wortheast Cellular Telephone Co. v. FGC, 897 F.23 1164, 1166 (D.C. Cir. 1990)

SLD's reductions in discount percentages will bring. The FCC has routinely waived compliance for procedural violations when the record contains no evidence of intent to defraud or abuse the E-rate program. Since there have been no allegations whatsoever regarding Garfield's intent to waste, abuse or defraud the program, should the FCC find that the procedural prohibition regarding use of NSLP forms as surveys was in place prior to the Fall of 2006, the District should be granted a waiver of the rule.

### IV. CONCLUSION

At the time it was utilized, the survey method used by Garfield was fully supported by all necessary documentation and followed the then prescribed survey method procedures. Those procedures had no prohibition against using NSLP forms for survey purposes. By retroactively implementing a procedural rule change prohibiting the use of NSLP forms for survey purposes, the SLD exceeded its authority and acted contrary to FCC mandates. The retroactive rule change applied by the SLD resulted in the rejection of the otherwise valid survey data submitted by Garfield. In turn, the rejection of the surveys resulted in District receiving an unwarranted reduction in its discount percentage to a lower percentage than that to which it was actually entitled.

Based on the facts presented, the Garfield City School District should be allowed to use the NSLP forms for survey purposes for Funding Year 2007-2008, whether so granted on appeal or by waiver.

### V. RELIEF REQUESTED

Garfield City School District requests the FCC grant its Request for Review and further requests that the FCC recognize its use of NSLP forms for survey purposes as walid at the time they were employed. In the alternative, if the FCC finds that the rule

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change was not retroactively applied by the SLD, Garfield requests that the FCC grant it a waiver allowing use of the forms for survey purposes for Funding Year 2007. Garfield further requests that the FCC order the SLD to correct its discount percentage calculation to be 76% for all FRNs contained in 471 application 544469.

Respectfully submitted,

Linda Schreckinger Sadler Attorney at Law Ohio Bar No. 0000827 26010 Hendon Road Beachwood, OH 44122

Phone: 216-288-1122 Fax: 216-464-7315

# BEFORE THE FEDERAL COMMUNICATIONS COMMISSION WASHINGTON, D.C.

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Billed Entity Number:

129499

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Funding Request Numbers Appealed: 1505751, 1505756, 1505757,

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During the Program Integrity Assurance ("PIA") process, the SLD reviewer requested and received copies of the free and reduced data calculations obtained from the surveys conducted by the District. Its PIA response contained a letter from the District's Food Service/Nutrition Director documenting the survey methodology used by the District and summarizing the data. At least one copy of the survey form itself was

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The free and reduced data obtained from the surveys provided the basis upon the District calculated its discount percentages and supported a district-wide discount of 76%. The methodology and documentation submitted by Garfield to PIA clearly substantiated the District's discount percentage calculation.

## B. THE USE OF NSLP FORMS FOR SURVEY PURPOSES WAS NOT PROHIBITED AT THE TIME THE DISTRICT FILED ITS FCC FORM 471.

At all times during its application process, Garfield strove for full compliance with the rules and regulations of the E-rate program. In the fall of 2006, in order to properly determine the discount percentage to which it was rightfully entitled, survey data was obtained. This data was collected and processed several months prior to the filing and certification of the District's FCC Form 471 application. On June 21, 2007, approximately eight (8) months after the surveys were sent — and more than four (4) months after the Forms 471 were filed - the Reference Area of the SLD's website first published the prohibition stating that NSLP forms could not be used for surveys.

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## C. THE SLD RETROACTIVELY APPLIED A PROCEDURAL RULE CHANGE

Although limited in scope, the prior Orders of the FCC have recognized the patent injustice to the applicant when the SLD implements procedural changes and applies them retroactively.<sup>3</sup> In its prior Orders the FCC granted the applicants' Requests for Review, finding that the SLD acted incorrectly by imposing procedural requirements that were not in effect at the time the applications were filed.

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<sup>&</sup>lt;sup>2</sup> See USDA Eligibility Manual For School Meals, revised January 2008, at pages page 52, et seq
<sup>3</sup> See Request For Review of the Decision of the Universal Service Administrator by Cincinnati City School District, DA No. 06-1107; and Request for Waiver of the Decision of the Universal Service Administrator by Division of the South Carolina Chief Information Officer. DANo. 06-1106

The accuracy of the survey calculations for Garfield was never challenged by the SLD. Neither was the manner in which the survey was conducted or processed by the District. Since the documentation provided by the District supported its requested shared discount percentage, the SLD should not have disregarded the documentation. While it has the right to review data to determine accuracy and program compliance, the SLD does not have authority to retroactively implement procedural policy changes. Had the procedural rule change been readily ascertainable on the SLD website prior to the Fall of 2006, the District would have had an adequate amount of time to create, disseminate and collect new non-NSLP survey forms and certainly would have complied. The fact is the SLD did not make the information readily available to applicants. Garfield's Form 471 was filed in February 2007; the change to the Alternative Mechanisms website page was not made until June 21, 2007. And, until June 21, 2007, there was no published information readily available on the SLD's website to alert Garfield that a rule change had been, or was about to be, made. Applicants frequently seek guidance on the SLD's website, especially in the "Reference Area" which USAC created expressly to provide guidance to applicants. Even SLD Help Desk personnel point people to the website for instruction and guidance. To implement program changes that have a significant impact on an application and yet omit posting them to the primary, sometimes only, resource available to the applicant, is not only detrimental to the application process but is contrary to the goal of providing financial support to the K-12 students, the true beneficiaries of the E-rate program.

## D. THE FUNDING COMMITMENT DECISION LETTER FAILED TO PROVIDE ADEQUATE REASONS FOR REDUCING THE DISCOUNT PERCENTAGE OF THE DISTRICT

The failure of the FCDL to provide sufficient information upon which the District could verify the correctness of the SLD's calculations and adequately address issues on appeal exacerbates already frustrating circumstances. Especially since neither the PIA reviewer nor his supervisor were able to cite authority for the SLD's position, the vague explanation in the FCDL left the District with the only logical conclusion: that the rule change had been applied retroactively to their application.

In the FCDL explanation, an applicant is entitled to be able to understand the rationale underlying the SLD's decision to reduce site discount levels.<sup>4</sup> In Garfield's Funding Commitment Decision Letter the SLD failed to provide an explanation that would allow the District to understand the basis for modifying its shared discount percentage. In the FCDL, for each FRN subject of this appeal, all that was stated in the Funding Commitment Decision Explanation section was that the shared discounts were reduced to a level that could be supported by third party data. Since the Commission's Order in *Academia-Claret*, <sup>5</sup> USAC seems to have abandoned "insufficient documentation" as the reason for rejecting discounts based on survey data and has replaced its unjustified/unexplained rejection of alternative methodology calculations by pretending they were never submitted, stating "the shared discount was reduced to a level that could be validated by third party data." Since all data was submitted by the District, to which third-party data is it that the SLD refers? The choice of language fails to

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provide the District with any explanation for, or understanding of, the basis for the SLD's rejection of the data submitted. In a case such as this, where an applicant did not receive sufficient notice or guidance regarding the changes the SLD made to the survey methodology procedures, it is especially important for the FCDL to provide the applicants with a reason for, and understanding of, the discount reduction so they may adequately address the issues on appeal.

### III. STATEMENT IN SUPPORT OF WAIVER

Throughout the application process Garfield complied with all substantive rules of the E-rate program. There is no allegation whatsoever that Garfield's use of NSLP forms for survey purposes was done to waste, abuse or defraud the E-rate program. The FCC has repeatedly reiterated is authority to waive rules for good cause shown:

The Commission may waive any provision of its rules on its own motion and for good cause shown. A rule may be waived where the particular facts make strict compliance inconsistent with the public interest. In addition, the Commission may take into account considerations of hardship, equity, or more effective implementation of overall policy on an individual basis. In sum, waiver is appropriate if special circumstances warrant a deviation from the general rule, and such deviation would better serve the public interest than strict adherence to the general rule. (footnotes omitted)<sup>6</sup>

Although not readily ascertainable to E-rate program applicants, if the procedural rule stating that NSLP forms could not be used for survey purposes was in effect in February 2007 before the filing of Garfield's 471 Application 544469, Garfield requests the FOC grant it a waiver of the policy. If the procedural rule was properly implemented prior to the filing of Garfield's Form 471 application, it is certainly in the best interests of the students of Garfield City School District to have the procedural rule waived, If a waiver is not granted, it is the students of the District who will suffer the hardship that the

<sup>&</sup>quot;See Request For Restlew of Decision of the Universal Service Administrator by Bishop Perry Middle School : DA No. 06-54, Northeast Cellular Melephone Co. v. FOC, 897 F.22 1164, 1166 (D.C. Cir. 1990)

SLD's reductions in discount percentages will bring. The FCC has routinely waived compliance for procedural violations when the record contains no evidence of intent to defraud or abuse the E-rate program. Since there have been no allegations whatsoever regarding Garfield's intent to waste, abuse or defraud the program, should the FCC find that the procedural prohibition regarding use of NSLP forms as surveys was in place prior to the Fall of 2006, the District should be granted a waiver of the rule.

### IV. <u>CONCLUSION</u>

At the time it was utilized, the survey method used by Garfield was fully supported by all necessary documentation and followed the then prescribed survey method procedures. Those procedures had no prohibition against using NSLP forms for survey purposes. By retroactively implementing a procedural rule change prohibiting the use of NSLP forms for survey purposes, the SLD exceeded its authority and acted contrary to FCC mandates. The retroactive rule change applied by the SLD resulted in the rejection of the otherwise valid survey data submitted by Garfield. In turn, the rejection of the surveys resulted in District receiving an unwarranted reduction in its discount percentage to a lower percentage than that to which it was actually entitled.

Based on the facts presented, the Garfield City School District should be allowed to use the NSLP forms for survey purposes for Funding Year 2007-2008, whether so granted on appeal or by waiver.

### V. <u>RELIEF REQUESTED</u>

Garfield City School District requests the FCC grant its Request for Review and further requests that the FCC recognize its use of NSLP forms for survey purposes as walld at the time they were employed. In the alternative, if the FCC finds that the rule

Id. at 3

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Respectfully submitted,

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Exhibit A



### Step 5: Alternative Discount Mechanisms Fact Sheet

Schools may use alternative calculation methods to determine the level of need for calculating discounts for eligible products and services.

This fact sheet provides the following information on alternative calculation methods for determining the level of need for calculating discounts for eligible products and services.

- 1. Primary measure for Schools and Libraries discounts
- 2. Alternative methods
- 3. Survey guidelines
- 4. Acceptable alternative measures of poverty
- 5. Existing sources
- 6. Matching siblings
- 7. Projections based on surveys
- 8. Unacceptable alternative methods

1. Primary measure for Schools and Libraries discounts

The primary measure for determining discounts is the percentage of students eligible for free and reduced lunches under the National School Lunch Program (NSLP), calculated by individual school. Students from family units whose income is at or below 185% of the federal poverty guideline are eligible for the NSLP.

2. Alternative methods

The Federal Communications Commission (FCC) also allows other methods to determine a school's level of need, as long as those methods are based on - or do not exceed - the same measure of poverty used by NSLP.

These federally-approved alternative methods use data comparable to NSLP/data which are:

- collected through alternative means such as a survey; or
- from existing sources such as Aid to Families with Dependent Children or tuition scholarship programs

3. Survey guidelines

If a school chooses to do a survey, the following guidelines apply:

- The survey must be sent to all families whose children attend the school.
- 2. 3.
- The survey must attain a response rate of at least 50%.

  The survey must, at a minimum, contain the following information:

   Address of family

  - Grade level of each child
  - Size of the family
  - Income level of the parents
- The survey must assure confidentiality (e.g., the names of the families are not required)

4. Acceptable alternative measures of poverty

The following measures of poverty are currently acceptable alternatives to NSLP eligibility:

- Family income level at or below 185% of the federal poverty guideline.
- Participation in one or more of the following programs:
  - Medicaid
  - Food stamps
  - Supplementary Security Income (SSI)
  - Federal public housing assistance or Section 8 (a federal housing assistance program administered by the Department of Housing and Urban Development)
  - Low Income Home Energy Assistance Program

5. Existing sources

Schools may also use existing sources of data that measure levels of poverty, such as TANF or need-based tuition

Urban or Rural Non-Instructional Facilities Discount Matrix

Step 5: Calculate the Discount

Level

Alternative Discount Mechanisms

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assistance programs. However, these measures are acceptable for Schools and Libraries Program discount purposes only if the family income of participants is at or below the Income Eligibility Guidelines (IEG) for NSLP.

6. Matching siblings

The siblings of a student in a school that has established that the student's family income is at or below the IEG for NSLP may also be counted as eligible for discount purposes by the respective schools the siblings attend.

For example, an elementary school has established through a survey that a student's family income is at or below the IEG for NSLP. That student has a brother and a sister who attend the local high school. The high school may use the status of the elementary school sibling to count his high school siblings as eligible for discount purposes, without collecting its own data on that family.

7. Projections based on surveys

If a school has sent a questionnaire to all of its families and it receives a response rate of at least 50 percent, it may use that data to project the percentage of eligibility for discount purposes for all students in the school.

For example, a school with 100 students sends a questionnaire to the 100 homes of those students and 75 of those families return the questionnaire. The school finds that the incomes of 25 of those 75 families are at or below the IEG for NSLP. Consequently, 33 percent of the students from those families are eligible for Schools and Libraries support purposes. The school may then project from that sample to conclude that 33 percent of the total enrollment, or 33 of the 100 students in the school, are eligible for the purpose of calculating discounts.

8. Unacceptable alternative methods

The following alternative measures of poverty are NOT acceptable for determining discounts. They rely on projections rather than on the collection of actual data:

- Feeder school method. This method projects the number of low-income students in a middle or high school based on the average poverty rate of the elementary school(s) which "feeds" students to the middle or high school.
- Proportional method. This method projects the number of low-income students in a school using an estimate of local poverty.
- Extrapolation from non-random samples. This method uses a non-random sample of students chosen to derive the percentage of poverty in a school, such as those families personally known by the principal ("Principal's method") or the families of students that apply for financial aid (a non-random sample).
- Title 1 eligibility. This method uses eligibility for Title 1 funds as the criterion for estimating the level of poverty in a particular school. Some measures of poverty eligible under Title 1 are indirect estimates of poverty and do not necessarily equate to the measure of poverty for the Schools and Libraries program discounts, namely eligibility for NSLP.

Step 4 Select a Service Provider Process

Step 6 Determine Your, Eligible Services

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